

**BOARD OF ECONOMIC DEVELOPMENT  
GOED CONFERENCE ROOM, 711 E WELLS AVE, PIERRE, SD  
TUESDAY, APRIL 8, 2014 – 9:30 AM CT**

Members Present

Chairman Jeff Erickson, Dale Clement, Tony Klein, Sharon Casey, John Calvin, Tom Burchill, Mike Luken, Greg Heineman, Tim Kessler, Ted Hustead, Don Kettering, Pat Prostrullo, Rob Skjonsberg, David Lust, Bruce Rampelberg, Tom Jones and Scott Parsley

Staff Present

Deputy Commissioner Nathan Lukkes, Travis Dovre, Ashley Moore, Cherissa Nielson, Dale Knapp

Other Staff Present

Mandy Kuipers- BankWest, Inc.

Others Present

Bob Mercer

Call to Order

Chairman Erickson called the meeting to order at 9:34 AM.

Agenda

A motion was made by Tony Klein and seconded by Pat Prostrullo to approve the agenda as presented.

Motion passed by a roll call vote.

Minutes

A motion was made by Tim Kessler and seconded by Mike Luken to approve the minutes of the meetings held March 11, 2014 and March 25, 2014 as presented.

Motion passed by a roll call vote.

Employment Agreement

A motion was made by John Calvin and seconded by Greg Heineman to establish a policy setting the base rate for the purpose of calculating liquidated damages under the Employment Agreement at Prime plus 2%.

Motion passed by a roll call vote.

Executive Session

A motion was made by Ted Hustead seconded by Don Kettering to enter into executive session at 9:40 am to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

Motion passed by a roll call vote.

Executive Session Report

The Chairman declared the board out of executive session at 10:05 am. The Chairman reported that the Board of Economic Development entered into Executive Session to discuss contract matters and commercial and financial information relating to loan and other assistance to applicants.

A motion was made by Sharon Casey and seconded by Tom Burchill to approve the chairman's report from executive session.

Motion passed by a roll call vote.

### Old Business

#### Black Hills Fiberglass, LLC

A motion was made by Greg Heineman and seconded by Pat Prostrullo to deny the request to release a corporate guarantor.

Motion passed by a roll call vote.

### New Business

#### Polaris Inc.

A motion was made by Tim Kessler seconded by Dale Clement to approve the Reinvestment Payment application of Polaris Inc. as recommended by staff in the board packet.

Polaris Inc.

- Based on the representations and project description contained in the application for reinvestment payment, including but not limited to the representations concerning jobs created or retained and wages and benefits to be paid, the request of Polaris Inc. for an equipment upgrades reinvestment payment of \$117,080.00, but not to exceed the State Sales and Use Tax paid on eligible equipment costs, is approved for Polaris Inc. Polaris agrees to purchase not less than \$9.5 million in new equipment and associated costs during the project period. The project as completed must be substantially similar to the project described in the application and must comply with the deadlines set out SDCL Ch. 1-16G and ARSD Ch. 68:02:07. The board has considered the factors set out in SDCL 1-16G-59 and ARSD 68:02:07:04 and the likelihood the project would not be located in South Dakota absent the reinvestment payment. Staff is authorized to issue a permit consistent with the application, this approval and the applicable provisions of SDCL Ch. 1-16G and ARSD Ch. 68:02:07.

Motion passed by a roll call vote.

#### Specialized Machine, LLC

A motion was made by Tony Klein and seconded by Ted Hustead to approve the South Dakota Jobs grant application of Specialized Machine, LLC as recommended by staff in the board packet.

Specialized Machine, LLC

- Having considered the applicable factors and the likelihood the project would not occur in South Dakota without a South Dakota Jobs Grant, a South Dakota Jobs Grant in the amount of \$4,000 is approved for Specialized Machine, LLC. The project as completed must be substantially similar to the project described in the application and must comply with the applicable deadlines and requirements set forth in administrative rule.

Motion passed by a roll call vote.

Harbor Group Investments, LLC

A motion was made by Pat Prostrullo and seconded by Rob Skjonsberg to approve the loan request from Harbor Group Investments, LLC in the amount of \$810,000. Secured by a shared first position on the real estate and the corporate guarantee of Harbor Group, Inc. and Interstates Control System, Inc.

The loan is approved according to the terms and conditions of the commitment letter and that all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion passed by a roll call vote.

Integra Plastics, Inc.

A motion was made by Sharon Casey and seconded by Tom Burchill to approve the waiver for a loan over \$1,000,000.

Motion passed by a roll call vote with Mike Luken, Ted Hustead and Jeff Erickson abstaining.

A motion was made by Dale Clement and seconded by Don Kettering to approve the loan request from Integra Plastics, Inc. in the amount of \$1,170,000. Secured by a shared second position on real estate in Brandon and personal guarantees with principals of 10% or more ownership.

The loan is approved according to the terms and conditions of the commitment letter and that all documents may be executed on behalf of the Board by the Commissioner of the Governor's Office of Economic Development or the Commissioner's designee.

Motion passed by a roll call vote with Mike Luken, Ted Hustead and Jeff Erickson abstaining.

Bills

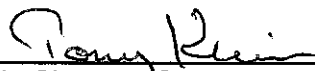
A motion was made by Tim Kessler and seconded by Ted Hustead approve the bill payable to BankWest, Inc. in the amount of \$11,000.00 for the March Servicing, May, Adam, Gerdes & Thompson LLP in the amounts of \$1,058.50 and \$1,926.20 for Legal Work and Miner County for an amount up to \$2,500.00.

Motion passed by a roll call vote.

Adjourn

A motion was made by Tony Klein and seconded by Tom Burchill to adjourn the meeting at 10:14 am.

Motion passed by a roll call vote.

  
\_\_\_\_\_  
Dale Clement, Secretary or  
Tony Klein, Treasurer